

**\*\*\*\* PRESS RELEASE \*\*\*\***

**TOWN OF CLINTON  
OFFICE OF THE MAYOR**

**November 17, 2014**

The Town of Clinton expressed extreme disappointment that High Bridge, Union Township and the Clinton Township Sewerage Authority chose to file suit against it rather than continued to engage in negotiations. "This is particularly disappointing," said Clinton Mayor Janice Kovach, "because the Town of Clinton Sewer Department has worked so hard to try to settle the issues in dispute." High Bridge has taken the lead in pursuing a claim against the Town of Clinton arising out of the dispute about payments for sewer bills. Mayor Kovach said "I do not understand the sudden change in the relationship between the Town of Clinton and High Bridge. For nearly 48 years, High Bridge has participated in the Town of Clinton Sewer Plant without any type of major complaint." Kovach went on to say that whenever a dispute arose in the past representatives of High Bridge and the Town of Clinton have been able to sit down and work out sensibly their differences.

Kovach said that over the years the Town of Clinton Sewer Department has tried to run its sewer operations in a frugal and cost efficient means. Kovach said: "We don't want to spend a lot of money on lawyers and lawsuits; it doesn't do the ratepayers any good."

Kovach also said that High Bridge has suddenly switched positions. In the past High Bridge has recognized that operations of the plant are evolutionary in nature. She pointed out that when the plant was created in the 1960's, neither the New Jersey Department of Environmental Protection nor the United States Environmental Protection Agency existed. "At that time the plant was operated sensibly, but without the over-arching environmental regulations that are imposed on it today." Over the years, the level of sophistication of plant operations has increased along with the environmental requirements and as a result the types and varieties of expenses incurred by the Town have become more diversified.

Now, however, "High Bridge wants to go back to 1968 in its relationships with the sewer plant." In its claim against the Town, High Bridge argues the Town can only bill for eight or nine items outlined in a 1968 agreement, but which do not reasonable encompass what is necessary for today's modern operations. For example, under High Bridge's current theory, the Town would not be able to bill plant participants for any mandatory NJDEP operational fees, required laboratory testing of sewage, sewage flow-meter and back-flow preventer calibration costs, and disposal of sewer sludge (to name a few). The Mayor said: "Can you imagine they expect the Town to operate a sewer plant, but without being able to charge users for these items?" Mayor Kovach found this change in position by High Bridge to be particularly strange in light of the fact that every year the Town sends High Bridge a copy of an audit and for nearly 44 years High Bridge never raised any questions about the Town charging for any of these items that have been charged for decades. The Mayor wondered whether recent additions to Borough personnel may not fully understand the operation of the sewer plant, or the good relationships

that the towns have enjoyed. Mayor Kovach said: "why is it that High Bridge was satisfied with the town's billing practices all these years and now wants to turn back the clock by trying to collect from the town money that the Town billed 10 years ago, especially since High Bridge received, reviewed and had their auditor approve audits the Town supplied during each of those years.

The Mayor also was unhappy about the way the Town has been treated by High Bridge in the negotiations. As part of its desire to amicably work out the disagreements with the other participants in the plant, the Town scheduled a meeting two weeks ago with representatives of High Bridge, the Clinton Township Sewerage Authority and Union Township. At 8:00 o'clock, the evening before the scheduled 8:00 a.m. meeting, High Bridge suddenly and without any prior notice canceled the meeting for no apparent reason and with no explanation.

Then on November 4, 2014, the attorney for High Bridge presented a unilateral 48-hour ultimatum to the Town stating that unless the Town negotiated 'in a meaningful way' suit would be filed. In response to these threats, counsel for the Town pointed out that the Town Council would not be meeting within the 48 hour arbitrary deadline unilaterally imposed by High Bridge, and accordingly, could not come up with any negotiating position until after its next meeting, which was scheduled a few days later. Notwithstanding Clinton's obvious attempt to keep the negotiation option open, High Bridge's attorney, on Monday, November 10<sup>th</sup>, advised that High Bridge did not like the Town's response, was going to file suit and would not even wait three days to hear the response from Clinton. Mayor Kovach said: "What was the purpose of an ultimatum if they were going to sue us anyway; what kind of negotiation is this?"

Mayor Kovach said Clinton believes that negotiations are the way to resolve the parties' differences. The Town has made substantial good faith offers to High Bridge. However, High Bridge now seeks to collect that money from ten or more years ago, even after it raised no complaints after having received, reviewed and accepted audits from the Town year after year. Kovach said: "Negotiations call for compromise on both sides; it can't be High Bridge's way or the highway

This conduct has led the Town Council to conclude High Bridge wanted a fight, not a fair settlement. Going forward, the Town is still willing to have discussions to amicably resolve this matter. To help advise it, the Town will be hiring an independent auditor to review the situation, give it advice and help it in the litigation. Mayor Kovach said: "The Town stands ready to engage in good faith negotiations with High Bridge, Union Township and the Clinton Township Sewerage Authority with the hope good sense will prevail, but it also believes in its position and if High Bridge insists on litigation the Town will have no other option than to fight." Mayor Kovach pointed out that litigation will enrich the lawyers and accountants, but impoverish the hard-working citizens served by the Clinton Sewer Plant. She said: "I hope cooler heads prevail and we can work out a fair resolution without spending a lot of public money."